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SUGGESTIONS FOR A MIGRATION STRATEGY FROM PRE-SHIPMENT INSPECTION INTO A RISK BASED INSPECTION

AUGUST 2014

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SUGGESTIONS FOR A MIGRATION STRATEGY FROM PRE-SHIPMENT INSPECTION INTO A RISK BASED INSPECTION

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CONTENTS

CONTENTS I

ACRONYMS & DEFINITIONS II

1.EXECUTIVE SUMMARY..... 3

2.SPECIFIC RECOMMENDATIONS..... 6

3.GENERAL RECOMMENDATIONS..... 7

4.BACKGROUND 8

5. WHY CHANGE? 9

6. HOW TO CHANGE?12

ANNEX 1: MIGRATION STRATEGY 15

ANNEX 2..... 20

ACRONYMS & DEFINITIONS

AEO	Authorized Economic Operator
CTA	Confederação das Associações Económicas de Moçambique
DIS	Destination Inspection Service
EDI	Electronic Data Interchange
GATT	General Agreement on Tariffs and Trade
IMF	International Monetary Fund
INNOQ	Instituto Nacional de Normalizacao e Qualidade
MCNet	Mozambique Community Network
MPDC	Maputo Port Development Company
PCA	Post Clearance Audit
PSI	Pre-Shipment Inspection
SADC	Southern African Development Community
SeW	Single electronic Window
USAID	United States Agency for International Development
WCO	World Customs Organization
WTO	World Trade Organization

1. EXECUTIVE SUMMARY

1.1 The consultant team visited and spoke with a variety of stakeholders, including concerned government ministries/ agencies, MCNet, the CTA, a medicine importer and Intertek, to establish opinions and concerns on the use of PSI and its eventual demise. The consultant team would like to thank all those spoken with for their candor and open mindedness.

1.2 It is clear that at some point in the not too distant future, the practice of Pre-Shipment Inspection for the purposes of establishing customs value and classification will come to an end; the World Trade Organization's 9th Ministerial Conference in Bali, Indonesia, in December 2013 has required this of members, under Article 10.5 of the agreement reached there.

1.3 The important question for the Mozambique Government is how to reach a non-PSI position in terms of valuation/ classification, without placing undue risk on revenue, whether to negotiate a specific contract for safety/ standards (conformity) issues, or whether to move away from PSI entirely, which is the direction the WTO is seeking, as they request '*Member States not to extend the practice*', in relation *other PSI functions*.

The 'Positive List' issued under Service Order 25/ DGA/ 2013 includes a variety of goods under 10 Chapters of the HS Tariff.


REPÚBLICA DE MOÇAMBIQUE
MINISTÉRIO DAS FINANÇAS
AUTORIDADE TRIBUTÁRIA DE MOÇAMBIQUE
Direção Geral das Alfândegas

ORDEM DE SERVIÇO Nº 25/DGA/2013

Assunto: Atualização da lista de mercadorias sujeitas à Inspeção Pré-Embarque

Sendo necessário atualizar a lista dos produtos constantes da Tabela anexa ao Diploma Ministerial nº 19/2003, de 19 de Fevereiro, a que se refere o nº 1 do artigo 2 do mesmo diploma legal, relativamente às mercadorias passíveis de inspeção pré-embarque, informa-se a todos os funcionários destes Serviços, Despachantes Aduaneiros, Intertek, Agentes Económicos e demais interessados que a lista das mercadorias sujeitas à inspeção pré-embarque passa a ser a seguinte:

CAPÍTULO E POSIÇÃO PAUTAL	EXCLUSÃO DA INSPEÇÃO PRÉ-EMBARQUE
Capítulo 2 PP 0207.12; 0207.14; 0207.25; 0207.27; 0207.33; 0207.36 - Carnes e miúdas comestíveis, congeladas das aves da posição 01.05	Nenhuma
Capítulo 11 PP 1102 - Farinhas	Quantidades até 20 Kg
Capítulo 15 PP 15.07; 15.08; 15.11; 15.12; 15.13; 15.15; Óleo alimentar	Quantidades até 20 Litros
Capítulo 25 PP 25.23 - Cimento	Quantidade até 100 Kg
Capítulo 28 - Produtos Químicos	Nenhuma
Capítulo 29 - Produtos Químicos	Nenhuma
Capítulo 30 Produtos farmacêuticos das posições: 30.01; 30.02; 30.03; 30.04; 30.05 e 30.06	Quantidades para consumo pessoal
Capítulo 36 PP 36.02 - Fósforos	Nenhuma
Capítulo 40 PP 40.11 - Pneus novos	Quantidades até 5 pneus
Capítulo 40 PP 40.12 - Pneus usados	Nenhuma
Capítulo 87 - Viaturas P.P. 87.01; e 87.05 e 87.11;	Viaturas novas que nunca tenham sido registadas no País de origem, quando importadas por representantes da marca

A presente Ordem de Serviço entra imediatamente em vigor.

Direção Geral das Alfândegas, aos 04 de Julho de 2013

O Diretor Geral

Guilherme Mumbo
Comissário Aduaneiro

The variety of goods on the 'Positive List' leads one to conclude that determining customs values (as per GATT) and classification to protect revenue, is not the driving force behind the selection, but a mix of revenue, public safety and protectionist concerns. Indeed this thought was confirmed during the meetings with stakeholders, where reasons such as 'protecting national industries' and 'ensuring quality' were repeatedly mentioned.

1.4 The term 'quality' was often heard, but in this instance, this relates to 'standards', rather than actual quality. Quality is something determined by the trade, based on market demand, an item may be of a 'low quality', but still meet prescribed standards, indeed it may be all certain consumers are able to afford. It is a matter between the *importer* and *supplier* if the 'quality' of the goods supplied is inferior to that contracted, and as such PSI is an inappropriate tool for government to use. The important element for imported goods, from a regulatory perspective, is not 'quality' as such, but 'safety'; are the commodities safe for consumers to use/ consume, or are the goods safe to enter the country (e.g. plants/ uncooked meats)? Safety is determined by 'standards', both national and international, and enforced by various government agencies/ departments depending on the commodity type.

1.5 In relation to revenue, the most obvious item on the current Positive List is used vehicles, in truth a headache for customs the world over, values can vary widely, be subjective, and are often an area of business in the country of export subject to its own abuses. PSI does currently provide a basis for Mozambique customs to determine a customs value, however this cannot remain the case, national authorities will need to develop the tools and skills to take over this role.

1.6 It was clear that Intertek are providing significantly more than just inspection services, and are working closely with customs on key capacity building initiatives. The impact of the loss of the PSI element needs to be taken into account if it is contractually tied to their capacity development work., and budgetary commitments may need to be made.

1.7 In conclusion, a transition strategy is required by the Mozambique authorities, a documented series of actions to be completed by a defined date, with the end state being a PSI free import process. This will require:

- Political will
- A multi agency approach
- The further development of the single window
- Continued and focused capacity development; and
- An acceptance that the application of risk management is the way forward.

2. SPECIFIC RECOMMENDATIONS

- Determine an end date for Pre-Shipment Inspection in relation to valuation and classification as per the Bali agreement on Trade Facilitation
- Development of a used vehicle valuation methodology for customs, with a 'calculator' for prospective vehicle importers available on the internet, (e.g. Ghana Revenue Authority)
- If not already in place, develop a specific valuation team for used vehicles
- Review of 'standards' relating to imported commodities to ensure alignment with international best practice, and confirming that such standards meet the needs of Mozambique
- Review of licenses issued for imports (such as medicines), to determine if they offer sufficient safeguards to remove the need for Pre-Shipment Inspection
- Acceleration of relevant agencies automating their processes where applicable through MCNet – import permits/ licenses/ vehicle registration
- Utilization of the MCNet Risk Management module by regulatory authorities to address compliance issues
- Customs Risk Management Unit to establish a regular dialogue with other agencies that have regulatory responsibilities on imports and exports
- Training on Risk Management to be provided for agencies with regulatory responsibilities on imports and exports (Possibly by customs?)
- Customs to make available advance rulings on classification and valuation issues
- Conduct a review/ study into the viability of contracting conformity (quality/ safety) and type (classification) testing to an accredited private laboratory or inspection service
- Further development PCA and AEO activities in return for facilitation measures such as Pre Clearance and Periodic Declarations

3. GENERAL RECOMMENDATIONS

- The practice of scanning 100% of arriving containers should be reviewed, and a risk based approach adopted utilizing advance manifest information
- Pre-arrival declarations should be facilitated and promoted, restrictions (contra marca) on the entering of a declaration to customs need addressed, shipping manifests should be made available at the earliest opportunity
- Under the umbrella of the SeW, conduct a review of the import process for regulated imports, e.g. medicines, to ensure the process is as efficient as possible, i.e. immediate release with inspection at traders' premises
- Working party to deliver connection of MCNet and E-BAU to ensure maximum EDI between departments to increase the tax base, facilitate trade and aid compliance
- A review on the charges for making a declaration through the SeW to be conducted, to ensure that the fees and charges are approximate to the cost of the services rendered (WCO and WTO commitment)
- Consider outsourcing/ privatization of government laboratory services to a accredited laboratory services company
- Specific examination areas (multi agency) be included in the MPDC infrastructure development plans, these should be covered areas affording protection from the elements and access control
- Specific quarantine areas should be included in the MPDC infrastructure development plans for plant and live animal importations

4. BACKGROUND

In line with the recommendations of the World Trade Organization, the World Customs Organization and other international bodies, Mozambique has been implementing customs reforms aimed at facilitating international trade. Notwithstanding these efforts, bureaucratic excesses continue to be reported in processes related to imports and exports. Through the Partnership for Trade Facilitation program (PTF) between USAID and the Mozambican Tax Authority, the GoM has requested support in the assessment of the impact of pre-shipment inspection (PSI) on international trade in Mozambique. Results from such study would include a potential migration strategy from PSI into a Risk Based Inspection undertaken by the local authorities.

PSI was introduced in Mozambique in 1998 by Ministerial Diploma 207/98 of 25 November in order to ensure, for taxation purposes, the due verification of the values of imported goods declared by the importer, i.e. whether the statements made comply with the correct tariff classification of the importing country. On the other hand the Mozambican authorities also tried to assess whether the quality of imported products complied with national and international standards, particularly with respect to safety, public health and protection of the national industry. However, the introduction of the PSI assumed that parallel efforts would be made to strengthen the capacity of customs authorities, in order for the PSI not to have an effect on the system and thus the inspection would be randomly made by the national authorities based on risk.

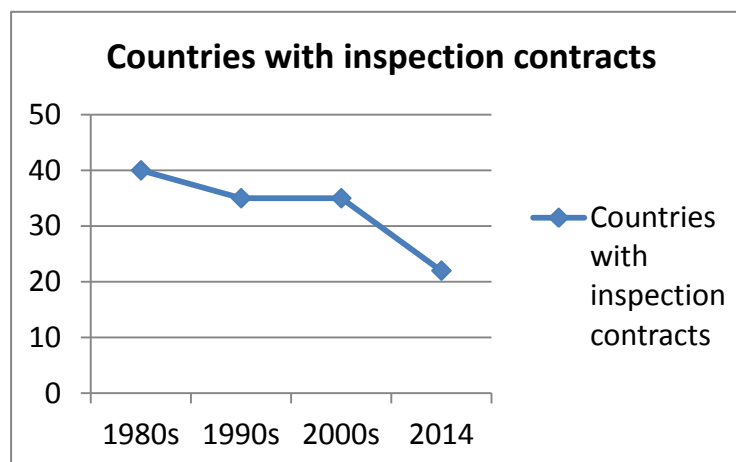
However, this did not happen. What actually happened was the subsequent revision of the list of products subject to PSI, the so-called positive list, in 2003 and in 2011 through Ministerial Diploma Nr. 19/2003 of 19 February and Ministerial Diploma Nr. 19/2011 of 19 February, respectively. The PSI as such, remains in force to this day, although applicable to about 10% of imported products (actually only 50% of this universe has been subject to PSI, which means that only 5% of imported products are subjected to PSI). At present Mozambique is the only SADC country that imposes the implementation of the PSI. The WTO classifies this imposition as a non-tariff barrier imposed against the trade liberalization trend in the region. Although some operators from the industrial sector do defend PSI because of the protection it offers, the private sector at large, advocates the elimination of mandatory PSI, due to its bureaucratic implications for the process of importation.

5. WHY CHANGE?

5.1 It is a fact that the number of countries using PSI has diminished significantly, as this WCO sourced graphic demonstrates.

This is due to countries automating their customs systems, better communication (i.e. internet), and significant development efforts. It should be noted, that the

same companies involved with PSI/ DIS are still working with many administrations, but with different business models. This can be seen in Mozambique with SGS partnering government and the private sector to deliver MCNet. Pre-Shipment Inspection for the valuation and classification of goods was introduced in Mozambique in 1998, 15 years have passed, and customs now has the capacity and information to fully take on this role themselves.



5.2 As mentioned in the Executive Summary, the **World Trade Organization** has recommended the cessation of Pre-Shipment Inspections for valuation and classification of goods:

Box 1. WTO BALI Trade Facilitation Agreement of December 2013, Pre Shipment Inspection related guideline

Article 10 Formalities connected with importation and exportation and transit.

5. Pre-shipment inspection

The new agreement bans the use of pre-shipment inspections where this procedure is used to determine tariff classification and customs valuation. Other types of pre-shipment inspection will, however, remain permitted although Member States are encouraged not to extend the practice.

Many countries operate pre-shipment inspection (PSI) requirements, and inspection companies argue that PSI helps to reduce compliance costs. However, some countries have taken the view that that mandatory inspections are an unnecessary and costly non-technical barrier to trade and that the practice should be discontinued. UNCTAD argues that PSIs affect, on average, almost 20% of trade and products. Although they are often necessary to provide some assurance on the quality/quantity of the shipment and thus may promote international trade, they add to the cost of trading. These additional costs may reduce the competitiveness of countries, thus distorting trade (UNCTAD, 2013).

5.3 The **World Customs Organization** (WCO) is also committed to seeing an end to PSI/ DIS contracts and offers assistance to customs administrations in achieving this. An example is their assistance to Niger, which had hosted a workshop for West & Central African customs administrations in June 2013. This workshop determined that there was a feeling from countries using PSI/ DIS contracts, that they do not represent their long-term best interests, and that the time was right to take responsibility for these core customs roles. At this regional workshop, Directors General of Customs developed a statement, the '*Niamey Declaration*', aimed at the setting out responsibilities for the '*successful termination of PSI/ DIS contracts*'.

5.4 In March 2014, the WCO hosted a further event, for Customs administrations, international organizations, regional economic communities and development partners, including the International Monetary Fund (IMF) and the World Bank. This meeting resulted in a series of recommendations on the issue, which can be found at Annex 2.

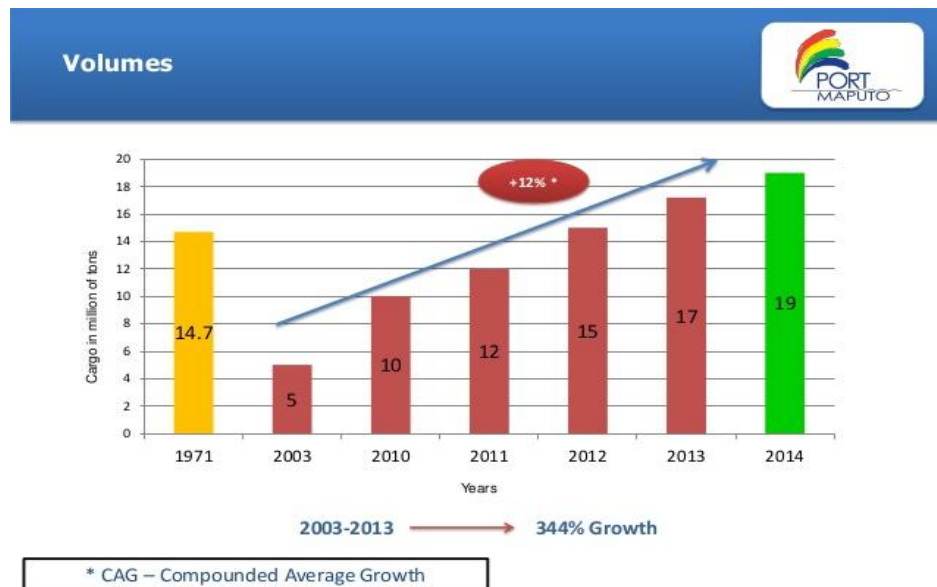
5.5 The WCO recognizes the challenges faced by administrations making these changes, and has developed the 'WCO's Practical Guidelines for Valuation Control' to help provide guidance on their strategy, and is also currently working on further guidance material under its 'Revenue Package program, which is expected to be ready by June 2015.

5.6 The situation in Mozambique is a little different, as only the 11 goods types on the positive list are subject to PSI inspection, however Intertek advise that this accounts for 10% of all imports. From discussion with various stakeholders, it seems goods are included on the positive list for reasons other than just valuation and classification. Interteks online guide to importers states that:

'The scope of the INTERTEK programme includes physical inspection in the country of exporter to establish compliance with the order specification and assessment of price, customs classification and import duties payable.'

The consultant felt this lacked clarity of purpose for importers, as whilst compliance with the order specification is mentioned, this seems less than a 'conformity' contract; also is this for the benefit of the importer or the government? Authorities the consultant met with in Mozambique mentioned that Intertek is ensuring 'quality/ safety' of certain goods on the positive list, discussions with the Intertek country manager confirmed this, but the consultant was left with the impression this was an ad hoc arrangement, rather than a formal 'conformity' contract, where the service provider would perform testing, and issue a 'certificate of conformity'. The termination of PSI for Valuation and Classification, would allow for a new contract specifically aimed at protecting Mozambique from sub standard and unsafe items, if that is what stakeholders feel is necessary. This would clarify the situation, and also allow stakeholders to refocus on actual risks, based on 'standards'.

5.7 Reduced intervention at the point of entry will become a necessity as trade volume increases, as there will just be too much cargo to deal with. This graphic from a Maputo Port Development Company (MPDC) presentation to the Doing Business conference in July this year, demonstrates Mozambique's remarkable growth rate.



This already impressive rate is likely to increase further as the financial benefits from mining and drilling concessions/ exports flow into the wider economy, and the MPDC are targeting a figure of 40 million tons by 2020. With this level of growth, the current levels of physical inspection and inspections at the point of importation simply cannot/ will not be able to be maintained.

6. HOW TO CHANGE?

6.1 The way forward with the most likely chance for success and sustainability is a phased one, with certain steps to be completed prior to the next set. A working group of stakeholders should sit down to agree tasks and set challenging yet realistic completion dates (See suggested table at annex 1).

- Form Steering Committee
- Identify and assign tasks (Plan)
 - Review controls
 - Identify risks
 - Formulate risk treatment
- Set target dates
- Develop tools – Online vehicle valuation guide
- Continue SeW expansion to other Ministries/ Agencies
- Review capacity development needs and target specific areas

A maximum transition period should be agreed upon, to give finality to the process, and notice to Intertek in relation to PSI services. The cessation of PSI need not signal an end to all services provided to the Government of Mozambique by Intertek, it is understood, that Intertek is currently providing consultants to advise on other issues, such as capacity development, Post Clearance Audit, customs legislative consolidation and procurement. Additionally, there may be scope for a ‘change’ in the services provided, as mentioned earlier, there may be a continuing need for ‘conformity certification’.

The steering committee could be chaired by customs, given that they are the lead agency for controlling imports, and that control measures will mostly be applied through their Risk Management module. Other agencies that should be part of the committee are those with a regulatory role to play either at the border, such as the Ministry of Agriculture (Veterinary and Plant Health/ fertilizers) and those with a regulatory role on certain imports, such as Ministry of Health (Fresh foodstuffs/ medicines/ cosmetics/ chemicals), INNOQ (safety standards), etc. It will be advisable to have observers to the Steering Committee from Min of Industry and Commerce, and also invited trade representatives, e.g. CTA for transparency.

6.2 The Kyoto convention, of which Mozambique became a signatory in July 2012, requires customs to adopt a number of key principles, including:

- Maximum use of information technology;
- Minimum necessary customs control to ensure compliance with regulations;
- Use of risk management and audit based controls;
- Coordinated interventions with other border agencies.

6.3 Mozambique is well equipped to put most of this into practice, as it has MCNet, and moving away from PSI should be seen as a development catalyst. **The main aspect of**

adopting non-PSI measures, are based on ‘risk’ and ‘risk management’. These may defined as:

Risk – is the potential for non-compliance with Mozambique regulations for imported goods.

Risk Management – it is a systematic process for identifying, analyzing, evaluating and treating risk to maximize outcomes for the government of Mozambique.

Risk Assessment – it is the systematic use of information to analyze risk and to minimize the adverse impact of risk on the objectives.



The above diagram is a variation on commonly accepted risk assessment principles, and demonstrates the risk management cycle, whilst the below diagram assist users in defining what the level of risk is. These are not customs specific, and can be used by anyone seeking to determine risk.

LIKELIHOOD		CONSEQUENCES				
	Ratings	Very Low	Low	Medium	High	Very High
	Very Low	1	2	4	7	11
	Low	3	5	8	15	17
	Medium	6	9	16	18	20
	High	10	12	19	21	23
	Very High	13	14	22	24	25

NUMERICAL RATING	RISK RANKING
1 - 5	Very Low
6 - 10	Low
11 - 15	Medium
16 - 20	High
21 - 25	Very High

6.4 Full adoption of risk management procedures by all agencies will offset the loss of any current safety net provided by PSI. Each agency must conduct a risk review on *its area of responsibility* (regulatory control) to determine risks. What might be considered a risk for one agency, may not be considered a risk by another, so a joined up approach, coordinated by customs is essential. Once risks are identified and ranked, decisions can be made on how best to treat these risks. This may be at the point of importation or at a subsequent point in the import process/ supply chain. The ranking will also determine the level of intervention required, and allow for human resource planning. It should be noted that physical inspection of the goods should be reserved for high/ very high ranked risks. It is important to automate the selectivity of goods for inspection as much as possible, removal of the ‘human factor’ has been shown to speed up processes, and remove opportunities for corruption.

6.5 Development of a tool for assisting in the valuation of used vehicles will be a crucial element to reducing the risk of revenue loss with the termination of PSI. Enough data should already be on record (PSI certificates & MCNet data) to develop an automated database, which can provide guidance when the risk management system identifies values outside of expected parameters. Options to explore include the vehicle valuation tool in use with the Ghana version of MCNet, development of a database using a depreciation formula based on known new values for vehicles, and also the potential for MCNet to update its valuation criteria automatically from accepted declared values. To support this, a specialist used vehicle values research team should be considered. This small team would research used vehicle values from the main countries exporting to Mozambique for comparison with declared values, and update/ correct parameters as necessary. There may also be a possibility of contracting with an entity like or similar to Intertek for market research of values of specific high-risk goods. With the demise of PSI/DIS, the former suppliers of these services are altering their business models to suit changing needs. It must be remembered that valuation databases are only a tool to help determine value, rather than arbitrarily assign value, and any move to develop a system which automatically assigns customs values from a database, overriding declared values, should not be considered.

6.6 Incorporating ‘risk’ for other agencies is a logical progression of the use of the SeW. Other regulatory bodies must work with customs to establish a mechanism for addressing multiple types of risk, within the parameters available through the risk management module of MCNet. If possible, this should be linked to a conditional releases, which would allow for goods to be released from the port, but still require inspection at another location. An element of trust is required with both the system and the importer, but such facilitation is not usually misused, as importers know if they transgress, future importations will be held at the port for inspection, adding to their costs and overall ship to shelf time.

6.7 Facilitating pre-arrival declarations allows time for additional risk management checks, or for queries to be dealt with prior to the arrival of the goods. This again facilitates trade, without risk to the authorities, and reduces dwell time in the port confines, something increasingly important to the MPDC should trade grow at the forecasted rates.

ANNEX 1: MIGRATION STRATEGY

Stage 1			
No.	Task	Responsible	Target Date
1	<p>Establish Steering Committee (Customs/ Min of Health/ Min of Ag/ INNOQ/ MCNet)</p> <p>Customs to chair and act as secretary, keeping minutes/ distributing minutes, organizing meetings, sending invites to permanent committee members, and liaising on ad hoc guest members/ observers. The stated purpose of the Steering Committee will be '<i>to facilitate the transition of responsibility, from Pre Shipment Inspection companies to Mozambique authorities, of ensuring imported goods meet adopted national and international standards, and are correctly declared to relevant authorities and controlled through appropriate risk control measures</i>'.</p>	Customs and other relevant Govt. agencies – Min of Health; Min of Agriculture; INNOQ; Min of Transport; MCNet; etc.	End September 2014
2	<p>Steering Committee to determine individual agency/ department reviews/ tasks</p> <p>Agencies will have assigned teams to critically review <i>their regulatory requirements</i>, in particular those in relation to goods on the sensitive list, to determine what regulatory controls (if any) need be applied, and at what point of the import process (pre-import/ pre-arrival/ pre-release/ post release). These tasks also offer an opportunity to streamline processes in advance of automation.</p> <p>The steering committee should consider the following:</p> <ul style="list-style-type: none"> Members must have sufficient understanding of 'risk'; is training in understanding 'risk management' needed? (customs may be in a position to deliver training) 	<p>Steering Committee to monitor progress</p> <p>Individual agency in conjunction with customs</p>	End December 2014

<ul style="list-style-type: none"> Ministries and agencies need to determine what <i>is</i> the 'risk' associated with each commodity under its jurisdiction, is it a: <ul style="list-style-type: none"> regulatory/ standards risk (against what standard?) revenue/ classification/ contraband risk; or trade risk, such as 'dumping'; <p>Are the risks real, and if so are they 'high', 'medium' or 'low'? If the 'risk' is determined as a 'trade risk', the issue should be referred to the appropriate Ministry for consideration of application of WTO approved methods of protecting national industry. (Anti-dumping duties/ countervailing duties/ increased tariffs/ quotas, etc.).</p> 	<p>Relevant agency/ department</p>	
<ul style="list-style-type: none"> Are sufficient controls already in place due to the licensing requirements (e.g. medicines)? 	<p>Licensing departments of concerned Ministries</p>	
<ul style="list-style-type: none"> Are physical interventions necessary? If so, are they necessary at the zero point, or are they best carried out at the traders' premises (foodstuffs/ medicines/ dangerous goods/ etc.)? 	<p>Concerned Ministries in conjunction with customs</p>	
<ul style="list-style-type: none"> A timeline for each agency to fully commit to the SeW – license/ permit applications. 	<p>Concerned agencies and MCNet</p>	
<ul style="list-style-type: none"> A definite timeframe and methodology will have been identified to link the vehicle-licensing department, (Min of Transport) to MCNet, allowing for online registration of imported vehicles. (This measure may assist in the control 	<p>Min of Transport and MCNet</p>	

	<p>of temporarily imported vehicles).</p> <ul style="list-style-type: none"> • Port system integration with MCNet, to allow for conditional releases of cargoes, will have been investigated and a timeframe for implementation identified. (Ultimately this will allow for connected agencies to receive electronic notification of the customs release of commodities they have an interest in, and on a risk basis, in certain cases, offer the option for agency intervention). • Investigation into a measure to counter undervaluation in the area of used vehicles. Alfandegas may wish to liaise with counterparts in Ghana, to discuss their experience, and the used vehicle valuation module incorporated into GCNet. Another example of where importers can 'calculate' what they will need to pay can be seen on the Tanzanian Revenue Authority website. 	<p>Port Authority and MCNet</p> <p>Customs and MCNet</p>	
3	<p>Initial reviews/ task completed.</p> <ul style="list-style-type: none"> • Each ministry will have reviewed its regulatory requirements in relation to imported goods, and determined risk levels. • Ministries and agencies will have conveyed their 'risks' to customs in an agreed format. • Ministries will have streamlined procedures in preparation of automation and gained any necessary approvals for new procedures/ process flows. 	<p>Relevant agency/ department</p> <p>Relevant agency/ department</p> <p>Relevant agency/ department</p>	End Jan 2015

Stage 2			
No.	Task	Responsible	Target Date
1	Risk Management Customs will assign resources to review the perceived 'risks' of other agencies, to ensure consistency.	Customs and MCNet	End February 2015
2	Vehicle Valuation Customs and MCNet will have developed a vehicle valuation module for incorporation into the SeW. The module will be easy to use and be freely available through the MCNet portal.	Relevant agency/ department	End April 2015
3	Outreach Informational material regarding any new procedures/ process flows will have been produced in readiness for public awareness. The material should be in a format suited to online access.	Steering Committee	End April 2015
4	Risk Management Customs will create appropriate criteria for inclusion on the risk management module of MCNet. Customs and MCNet will test parameters to determine the impact on imports (Green/ Yellow/ Red), to ensure import-processing times are not adversely affected.	Customs and MCNet	End April 2015
5	Port System The port system and MCNet will be connected to allow for EDI between the port and all necessary agencies, allowing for conditional release of goods.	MCNet and Port Authority	End April 2015

Stage 3			
No.	Task	Responsible	Target Date
1	SeW All necessary Ministries and Agencies will be connected to MCNet, with access to MCNet users to apply for licenses/ permits, and automated connectivity for customs clearance. System connectivity will have been tested	MCNet and Ministries/ Agencies	May 2015
2	Vehicle Valuation Module goes live, initially running in parallel to PSI to gauge valuation accuracy, allow for adjustments and to build confidence in the module	Customs and MCNet	May 2015
3	Outreach campaign should target importers, and include leaflet distribution, media (radio/ TV) and presentations. All information, process flows and procedures must be available online through a single portal	Steering Committee	May 2015
4	Pre-Arrival Declarations will be encouraged, and conditional releases available through MCNet	Border Agencies, MCNet and Port Authorities	May 2015

ANNEX 2

Tasks & target dates	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015
Form Steering committee												
Task assignments agreed by Steering Committee												
Reviews/ tasks undertaken and completed by Ministries/ Agencies												
Risk Management profiles reviewed, criteria created and tested												
Vehicle valuation module development and testing												
Port System and MCNet connectivity												
Vehicle valuation module goes live (parallel to PSI valuation)												
Outreach material development												

Outreach campaign				
Ministries connected to SeW				
Final testing and corrections if required				
PSI free imports start				